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January 26, 2000

Utah Department of Natural Resources  
Division of Oil, Gas and Mining  
1594 West North Temple, Suite  
Salt Lake City, Utah 84114-5801

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DIVISION OF  
OIL, GAS AND MINING

Re: Escrow Instructions

Ladies and Gentlemen:

Along with this letter, we are delivering to you six bonds numbered [REDACTED] through (the "New Bonds"), issued by Lyndon Property Insurance Company, as surety, which, upon the satisfaction of the conditions set forth in this letter, shall replace the existing bonds in favor of the Division of Oil, Gas and Mining (the "Division") currently held by you with regard to Moab Salt, Inc. as the obligor.

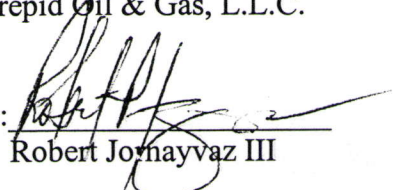
The New Bonds are being delivered to you subject to the closing (the "Closing") of the transactions contemplated under that certain Stock Purchase Agreement, dated January 25, 2000, between Intrepid Oil & Gas, L.L.C. and PCS Phosphate Company, Inc., and the other conditions set forth below. The New Bonds are being delivered to you at this time as a convenience, and shall only become effective upon the satisfaction of the following conditions:

1. You shall have received written notice from us that the Closing has occurred and that you are authorized to release the New Bonds to the Division;
2. You shall have taken all actions necessary to release all existing bonds and sureties in favor of the Division that will be replaced by the New Bonds; and
3. If the conditions set forth in clauses 1 and 2 above are not satisfied on or before February 15, 2000, you shall return the New Bonds to us and they shall not become effective.

Please execute the enclosed counterpart of this letter in the space provided below to confirm that you have agreed that the New Bonds shall not become effective or be deemed released until the conditions set forth above have been satisfied.

Very truly yours,

Intrepid Oil & Gas, L.L.C.

By:   
Robert Jorhayvaz III

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Approved, agreed to and accepted this 26 day of January, 2000.

Utah Division of Oil, Gas and Mining

By: Mark A. Wright

Name: Mark Ann Wright

Title: Associate Director, Mining